

Key strategies

1. Introduce the concept of 'innovative thinking' and its benefits via presentations to industry forums, workshops and conferences.
2. Include 'How to Innovative' sessions in programming for State tourism conferences and seminars.
3. Highlight best practice examples of innovative thinking and practice drawn from tourism and other industries to inspire and stimulate tourism operators.
4. Identify and highlight innovative tourism operators, who can act as mentors, advisors and, ultimately, trainers to the industry.
5. Explore establishment of a study tour grants program, which allows tourism operators to examine innovative tourism practice. A requirement should be that recipients formally share their knowledge with colleagues.
6. Innovatively communicate information, in order to suit the different learning styles of industry operators.
7. Foster strong linkages between industry, universities, TAFE and businesses. Present the outcomes in ways that are understood and are meaningful to tourism operators.
8. Encourage and facilitate the sharing of ideas between tourism regions and industry sectors, possibly involving exchange visits.
9. Foster sister-state and sister-country relationships that allow tourism operators and officials to share knowledge and experience on a semi-formal basis.
10. Explore the establishment of a tourism innovation 'think-tank'.

Desired outcomes

1. Increased participation in forums to encourage innovative thinking within the industry.
2. An increased number of businesses adopting new technologies, programs and practices to improve efficiency.
3. Operators undertaking domestic and overseas study trips to learn about innovative products, destinations and practices.
4. Greater market and product differentiation between industry operators resulting from the adoption of innovative products and practices.
5. Development of networks and clusters between tourism organizations to collaboratively develop new product concepts and marketing processes, to share knowledge and to foster innovative thinking.
6. The creation of environments within tourism organisations and commercial businesses where new ideas and creative thinking at all levels of the workforce is genuinely encouraged and rewarded.

Want to know more?

Visit the Tourism Excellence website containing toolkit, case studies and other relevant material to help achieve our vision which is ...

... that by 2010 Victoria's tourism industry is recognised for delivering outstanding visitor experiences.

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Module 6 'Fostering Innovation', December 2007.

Module 5 'Industry Participation' will be released in early 2008.



FOSTERING
INNOVATION



TOURISM
EXCELLENCE

Innovation is about ideas and transforming those ideas into value-creating outcomes – products, processes and services. Whilst it involves creativity, it is more about acting on creative ideas – bringing the ideas to life – in order to make a specific and tangible difference. Economic growth depends not only on the creation of new knowledge, but its effective dissemination and application.

Innovation doesn't always have to involve new technology. It is more often about creating new processes or simply developing better ways of doing what we already do. In fact, most innovation is the result of incremental progress and value-adding.

'Innovation distinguishes between a leader and a follower'

Steve Job, Apple Co-founder

Fostering innovation

There are no prescriptive rules for developing innovation – it is more an attitude and a state-of-mind held by individuals and organisations. It often flourishes in business environments that challenge assumptions, encourage problem solving, actively elicit ideas from all staff levels and that have supportive management leadership.

'In our company...the opposite of success is not failure, but inertia' (James Kilts, CEO The Gillett Company, 2002)

The rise of the global economy, the fragmentation of markets and an increasingly short-lived product life-cycle means that innovation has become the lifeblood of most successful modern businesses. The average lifespan of US listed companies in the 1920s was 65 years; it is now less than 10 years.

The most successful businesses spend a significant amount on making changes to their products, processes and services – an average across all sectors of about four per cent, but it can be more than 20% of turnover for those with a high rate of change. The top 10% of electronics companies change 80% of their product range every five years.

Victoria has recognised the nexus between business success and innovation. It has the highest rate – 35% – of business R&D in Australia, a separate Ministerial portfolio and a comprehensive innovation policy. Tourism is integral to the State's prosperity, so the industry needs to embrace the spirit and principles of innovation if it is to remain competitive.

While 'breakthrough' innovation in the tourism sector is fairly rare, tourism and travel innovation usually involves a series of small steps that lead to incremental growth, of which the most common outcome is new product development. Those who can take a 'breakthrough' idea or innovation, improve it, add value, or who can deliver it to the market more efficiently or more cheaply, are often the biggest winners.

The challenges

1. Overcoming the inherently conservative nature of the tourism industry, which can inhibit risk taking and the development of new mindsets.
2. Understanding by industry operators that innovation can result in bottom-line benefits and can create significant product differentiation.
3. Gaining broad acceptance that innovation requires a systematic approach to continual improvement and involves new ways of examining issues.
4. Diminishing a common belief that innovation equates to new technology and invention, while communicating that it can also include business practice and processes.
5. Dispelling perceptions that innovation is just about 'breakthrough' concepts, and conveying that it more often involves incremental improvement and 'value-adding' change.

